

USAID/Kenya
Operational Plan

FY 2006

June 2, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Program Performance Summary FY 2005: Program Narrative (FY 2005):

Overview: The United States and Kenya have a special relationship that extends back to American support for pre-independence Kenya. The U.S is appreciated by its Kenyan partners as a practical, honest broker in the arena of donor-host country coordination. Kenya stands out among African nations of special interest to the U.S. due to its location, relative stability, and economic potential. While there are elements of fragility, Kenya is an island of relative stability in a sea of conflict within the Greater Horn of Africa. As a long-time friend and partner of the U.S., the Government of Kenya has been instrumental in the achievements of the Sudanese and Somali Peace processes. Kenya has also been the victim of two major terrorist attacks in the past seven years and is today an important ally of the U.S. in the global war against terrorism.

Currently, Kenya finds itself at a unique place in its history. In December 2002, the Kenyan voters elected a president who represented a coalition of parties other than KANU (Kenya African National Union) for the first time since independence in 1964. The current administration has attempted to make a break from the recent past by initiating a policy agenda of reform and an Economic Recovery Strategy (ERS) that focuses on economic growth, social services, and reducing the role of the Government.

As a result of these measures and the confidence of the business community in Kenya, the economy is recovering. Having stagnated with negative per capita growth throughout the 1990s, the economy is turning around with a 4.7% growth rate in 2004 and an estimated growth of 5.0% in 2005. The engines of this growth have been a revitalization of the tourist sector, which has grown by more than 15%, information, and telecommunications, which grew by 10%, and the construction sector, which has grown by 4-5%. It is anticipated that as the Government invests additional resources in public infrastructure this will spur further and more sustainable costs as goods and services become more competitive. The Economic Survey also indicates that there has also been a significant (9.5%) increase in trade - primarily to regional neighbors, but also to Europe and the United States. The growth of exports to the United States is primarily due to the AGOA incentives. With the cessation of the Multi-Fiber Agreements, it was predicted that exports to the United States would decline. Through June 2005, however, the Ministry of Trade and Industry reports that Kenya was the only country in the East African region reporting a net increase in AGOA Exports. Part of this apparent stability has been due to the fact that buyers have been willing to continue contracts with the Kenyan garment industry that is a known supplier as the politics of trade and production costs in other producing countries, particularly China, settle. Another factor has been the aggressive trade promotion by the GOK that is actively expanding markets for exports to neighboring countries and the U.S. A final factor contributing to the recovery of the economy is growth within the agricultural sector following the severe drought in 2004. Structurally, the agricultural sector is the driving sector. The agricultural sector contributes 26% of GDP and sustains the livelihoods of 85% of the population. While the drought continues in parts of the country, the Kenyan breadbasket had good rains and an increase in corn, wheat horticultural and dairy production. Even though the economy is growing, the benefits of the growth are not yet widespread. As a result, the income disparities are widening with the urban work force, youth and people in living in Arid and Semi-Arid areas falling behind.

The politics and demographics of Kenya are such that coalition governments are likely to be the norm. Yet, not all has been rosy within the coalition government. While all coalition parties agreed in 2002 that they wanted to replace the KANU administration, there is not a common vision as to what the structure, conduct, and performance of the Government should be. This lack of consensus was most recently demonstrated by the failure to pass the November 2005 constitutional referendum. The political issues are compounded by personal and ethnic rivalries, which are often an impediment to national development. What is encouraging, however, is that in spite of differing political opinions as well as personal and ethnic rivalries, Kenya has a history of non-violence and dialogue to resolve conflict.

Challenges: The shared vision is for Kenya to be a democratic nation, on a sustainable growth path with reducing poverty and dependence on foreign aid. The medium-range goal is therefore for Kenya to achieve an annual growth rate of 7-8% with a more equitable distribution of income, improved standards of living, quality of life, and accountable, participatory governance. In every sector, USAID is working within the context of Sector Wide Approaches (SWAps) with the Government and interested donors working as partners to achieve the objectives of the respective sector. This approach allows the USG to

focus on its areas of comparative advantage while simultaneously influence the program design and content of its development partners. There is a clear consensus among all development partners including the Government, Private Sector, Nongovernmental Organizations (NGOs) that such growth rates can only be realized with accountable democracy and good governance, improved rural productivity and management of resources, and a healthier and better educated workforce. To this end, USAID is working with the Kenyan government and non-governmental actors to: reduce the transmission and impact of HIV/AIDS and improve reproductive, maternal, and child health; improve natural resource management in targeted biodiverse resource areas; improve the balance of power through transparent and accountable democratic institutions; increase rural household incomes; and increase equitable access to quality basic education.

Key Achievements:

Democracy and Governance: USAID continues to work to improve the balance of power among the institutions of governance in Kenya by increasing the transparency and effectiveness of government institutions; promoting more transparent and competitive electoral processes; and increasing the capacity of civil society organizations to lobby for reforms, monitor government activities, and prevent and resolve conflicts. While, the overall political climate is somewhat unsettled, USAID has achieved significant results, which are contributing to long-term improvements. The Kenya Parliament is more independent, Members of Parliament (MPs) are more willing to challenge the Executive, Parliamentary Committees are reviewing Bills more thoroughly and adding more substantial amendments, and MPs are subjecting Ministers to more rigorous scrutiny. Civil society continues to advance democratic consolidation. On the legislative front, key pieces of legislation were passed including the Public Procurement and Disposal Act, and the Privatization Act that directly contribute to the anti-corruption effort.

HIV/AIDS: USAID has continued to support Kenyan efforts to increase use of proven and effective interventions to prevent HIV transmission, treat those infected, and provide care and support to those affected by HIV/AIDS. In the area of prevention, USAID's "Nimechill" youth abstinence campaign, the first of its kind in Kenya, has become so popular that the phrase "chilling" has been incorporated into the language and culture. This effort was complemented by a group of professional basketball players and coaches from the NBA and WNBA who delivered social messages on healthy living, HIV/AIDS, and nutrition and the training of 80 Muslim women leaders of the National Muslim Women's Network to fight AIDS.

In the area of treatment, USAID placed 11,000 Kenyans on anti-retroviral therapy (ART) through provision of anti-retroviral drugs (ARVs) and supported much of the infrastructure and operational costs associated with dispensing and assuring continuous and well-monitored availability of these medications. USAID was also a critical contributor to the ARV treatment of a further 21,000 Kenyans through investments made in procuring drugs and transforming the public sector infrastructure (KEMSA, the Kenya Medical Supplies Agency), dispensing pharmacies, and the capabilities of health professionals who initiate and monitor ART. USAID has supported the efforts of the Mission for Essential Drugs and Supplies (MEDS), which supplied 43 facilities during the past year, including 18 public sector facilities.

Health and Family Planning: USAID continues to provide training, facility renovation, and basic equipment to increase access, quality, and utilization of integrated Family Planning, Reproductive Health, Child Survival, and HIV/AIDS (FP/RH/CS/HIV/AIDS) services in 97 facilities in Coast and Western Provinces. In 2005, family planning services were provided to 185,000 clients, a 4% increase over 2004. An additional 281 health workers were trained in 2005. Community mobilization activities to enable positive RH/FP health-seeking behavior reached 165,000 people in the focus areas. From 2001 to 2005, the project achieved an 89% increase in new family planning acceptors and trained 3,016 providers in Coast and Western Provinces. The MOH continues to utilize technical assistance from USAID to support the family planning logistics unit and the national tuberculosis (TB) program. USAID's technical assistance to the Ministry of Health (MOH) health commodity distribution system assisted in the delivery of 67 million male condoms, 3.4 million doses of injectable contraceptives, 7.6 million oral contraceptives, 38,000 intra-uterine contraceptive devices (IUDs), and 42,000 sets of contraceptive implants. (USAID continues to be the sole supplier of IUDs to the MOH.) This resulted in 2.3 million couple years of

protection (CYPs) through the public sector.

Malaria affects 20 million Kenyans annually, with an estimated 26,000 children under five dying every year a direct consequence of malaria infection. In FY2005, USAID collaborated with the United Kingdom's Department for International Development (DFID) to socially-market SupaNet bed nets and to start distribution of long life insecticide treated nets that do not need periodic re-treatment. DFID bought \$30 million worth of long-lasting nets in FY2005 and USAID provided marketing skills, using the infrastructure established by USAID's earlier investments. Sales grew from 635,000 nets in FY2004 to 3.2 million in FY2005. Rural sales, especially through rural clinics in conjunction with their maternal and child health programs, were particularly successful, accounting for 90% of total sales. Initiatives to treat malaria in pregnancy continued in facilities in six districts, complementing bed net distribution.

In FY 2005, as a result of USAID's continued support to strengthen the management systems and build capacity within the semi-independent Kenya Medical Supplies Agency (KEMSA), the organization successfully delivered essential drug kits throughout the country. For the first time 1,825 health facilities, from dispensaries to provincial hospitals, throughout Kenya had all essential drugs and supplies, according to MOH reports. The integrated family planning, reproductive health, child survival, and HIV/AIDS project had several activities to improve maternal health. This has included improved equipment and training in emergency obstetric care. In the 97 public and private sector facilities where the project works, 32,000 deliveries assisted by trained medical staff took place. These sites also provided potentially life saving services to 2,800 post-abortion care clients. Activities to treat malaria in pregnancy also continued in FY2005.

Basic Education: FY 2005 was the first year of implementation for the USAID Education Program. While a relatively small donor in terms of funding, USAID played a critical role in the design of the multi-donor Education Support Program that focuses on quality and access. Due to the excellent working relationships with the Ministry of Education, Science, and Technology (MOES&T) and the perceived comparative advantage in the areas of policy and training, USAID was requested to assist the Ministry with the training of staff throughout the system on the institutional changes and management approaches imbedded within the reform program. In addition to these efforts, the Education for Marginalized Children project provided training to 251 School Management Committees and in-service training to 1,761 teachers in Northeastern and Coast Provinces. Most significant, however, was two years after the introduction of universal primary education, the schools within this program reported a 12% increase in school enrollment from 89,401 in 2004 to 99,990 in 2005, and the increase in girls' enrollment was as great as was the increase for boys.

Agriculture and Private Sector: As indicated above, the agricultural sector is key to Kenya's economic recovery. The performance of the USAID activities contributed to the overall results by significantly exceeding the targets. Maize yield increased by 19%, the volume of trade milk products increased by 35% against a projected target of 6%. In the horticultural sector, 23,000 farmers adopted high yield seed varieties and irrigation, while more than 23,000 adopted natural resource management practices. This resulted in yield increases, lower average unit production costs, and higher gross margins. In 2005, yields for tomato and kale/cabbage were 28 MT/ha and 76.7 MT/ha against targets of 19.6 MT/ha and 16.4 MT/ha, respectively.

The number of micro and small enterprises (MSEs) that accessed commercial business services increased from 31,000 in 2004 to 64,000 in 2005 against an annual target of 30,200. The number of business service providers increased to 790 from 322 in 2004. USAID facilitated exporters, processors, input suppliers, equipment suppliers, and brokers to provide services on both a direct pay-for-service basis and by embedding the services in the value chain. Through cost-sharing partnerships, USAID leveraged over \$2.03 million from partners. USAID also helped establish three commercially viable private sector avocado oil-processing plants, each buying about 20 tons of low-grade avocado fruits per day, with an estimated total value of \$11,000 in the first four months of operations.

Kenyan processors have resumed exporting dairy products to Tanzania, Zambia, Uganda, and Rwanda. Kenya is at the forefront on Eurepgap certification for smallholders and a KENYAGAP protocol has been

developed for benchmarking, which will be customized for smallholder compliance. Out of the 50,000 out-growers, 903 smallholders have been certified under Eurepgap standards and 15,000 are in the process. As a result, horticultural trade has increased substantially. The volume and value increased by 19.2% and 55%, respectively over 2004. Seed trade regulations, standard operating procedures and manuals for plant variety protection, phytosanitary inspection and certification, seed certification, and analytical services were developed, which will further stimulate seed trade in the country.

Natural Resources: In FY 2005, acreage under improved conservation practices increased by 72,400 hectares representing a 9.5 % increase from FY04, while the number of individuals benefiting from the program was 57,900 against a target of 50,000. A significant number (35%) of beneficiaries were women. The International Small Groups and Tree Planting (TIST) project, a Global Development Alliance (GDA) activity empowered 887 small groups to establish 680,500 tree seedlings for the long-term goal of reducing pressure on forest reserves and providing strategic reserves of future carbon sinks. Community businesses realized combined revenue of \$275,000 as wages and dividends, representing a 38% increase from last year's earnings. The USAID-supported Rhino Research and Protection Database was recommended as a model for other countries at the CITES Conference held in Thailand. After five years of mobilization and consistent lobbying, a new Forest Bill was enacted and Forest Policy put in place.

Gender: USAID Kenya has mainstreamed gender in its programs. It is important and beneficial to target this group, which will add to program results. While progress has been made in increasing women's participation through directly targeting them in USAID's interventions, critical gender disparities still prevail. In all program areas, women have heavier workloads than men; have limited access to and control over production resources and receive fewer benefits than men in proportion to the efforts they expend. Outside the domestic sphere, women are under-represented in the 'management tier' of farmer organizations. 'Customary law', grounded in a 'patriarchal tradition', still prevails in many rural communities. This largely governs the access and control of natural resources. Thus, men own, inherit, control and manage most property, especially that which generates the greatest economic return or provides significant security. These limitations serve to limit women's ability to access financial markets and invest in businesses.

To respond to some of these challenges, USAID is promoting indigenous vegetables, which are mainly grown by women to expand women's share in high-value vegetable production under the Mission's horticulture development program. USAID is also providing technical assistance to enable women's groups to access business development services and development credit. This in turn will enhance effectiveness of women's groups in the production, processing and marketing of nature-based products and increase competitiveness of their products. The Mission is working with its Kenyan counterparts to address the legal framework through the Democracy Governance Program. Short-term efforts include ongoing work with USAID/W to expand women's participation in economic growth and trade and efforts to increase the access to health services. In the longer-term, it is expected that the Ambassador's Girls Scholarship Program, community outreach efforts within the Education program, and efforts to provide support to orphans and vulnerable children under PEPFAR will provide the next generation with increased social and economic opportunities.

FY 2006 Program

SO: 615-003 Reduce Transmission and Impact of HIV/AIDS and Improve Reproductive Maternal and Child Health

Improve Child Survival, Health & Nutrition

Improve Child Survival, Health and Nutrition (\$989,000 CSH). Child survival funds will be used to assist the Ministry of Health (MOH) to implement its National Health Sector Strategic Plan. This plan, calling national attention to the need to increase health care funding and restating the focus on disease prevention and primary health care, will have a positive impact on child health. USAID will continue to work with the Kenya Medical Supplies Agency (KEMSA), both directly and by providing technical assistance, in order to improve the MOH's logistics system. Kenya has achieved eligibility for the Millennium Challenge Account (MCA) Threshold Program, and a concept paper is currently being reviewed. The proposed program will enable the Government of Kenya (GOK) to undertake necessary public financial management reforms to address corruption. The proposal includes procurement reforms including planning, procurement, accounting, and auditing within the MOH. Principal contractors and grantees: Futures Group, John Snow, Inc., and KEMSA (all prime).

Improve Maternal Health & Nutrition

Improve Maternal Health and Nutrition (\$1,250,000 CSH). Integrated service delivery is improving maternal health through facility renovation and training in emergency obstetric care. Nyanza Province, which has the worst maternal and child health indicators in Kenya, will be especially targeted. USAID is also working with private facilities and is strengthening networks between public and private facilities and community midwives to reach more women with services that are in highest demand. The program plans to scale up these services with appropriate attention to informed choice and quality of care. Principal contractors and grantees: To be determined.

Prevent & Control Infectious Diseases Of Major Importance

Prevent and Control Infectious Diseases of Major Importance (\$6,703,000 CSH). In collaboration with the United Kingdom's Department for International Development (DFID), which will buy \$30 million worth of long-lasting nets, USAID is continuing distribution and sales of insecticide-treated bed nets. The MOH is committed to changing to Artemisinin Combination Therapy for first-line antimalarial treatment, using commodities purchased with Global Fund support; USAID is assisting with policy changes, service delivery, training, drug quantification, and program management activities. USAID supports the MOH's implementation of indoor residual spraying as part of the national malaria program, including significant commodity procurement. Principal contractors and grantees: the Malaria Action Coalition -- composed of Centers for Disease Control and Prevention (CDC), JHPIEGO and Management Sciences for Health -- and Population Services International (primes).

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact of HIV/AIDS: See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Support Family Planning

Support Family Planning (\$7,898,000 CSH). USAID continues to support public and private sector reproductive health activities, expanding assistance to service delivery in all eight provinces in Kenya and emphasizing the integration of family planning, reproductive health, maternal and child health, and HIV/AIDS services. It focuses on improved quality of care through service provider training and

supervision and utilization of up-to-date family planning and reproductive health guidelines. A decentralized system for training and supervision of reproductive health services is going to be extended to the local facility level. USAID works with the central government to encourage greater accountability as well as funding for family planning. Priority is being placed on sensitizing local leaders to the importance of reproductive health. Principal contractors and grantees: Opinion Research Corporation Company (ORC) Macro and the University of North Carolina (primes) and others to be determined.

FY 2007 Program

SO: 615-003 Reduce Transmission and Impact of HIV/AIDS and Improve Reproductive Maternal and Child Health

Improve Child Survival, Health & Nutrition

Improve Child Survival, Health and Nutrition (\$1,000,000 CSH). Funds will be provided to the integrated service delivery program to add child survival activities in critical provinces, especially Nyanza. USAID and the MCA Threshold Program support to KEMSA will enable it to conduct a larger proportion of MOH procurement in 2007. Principal contractors and grantees: Same as FY 2006.

Improve Maternal Health & Nutrition

Improve Maternal Health and Nutrition (\$911,000 CSH). The integrated service delivery of family planning, reproductive health, maternal and child health, and HIV/AIDS will be fully functional in all eight provinces. Limited nutrition activities, closely linked to antiretroviral therapy, will continue. Principal contractors and grantees: to be determined.

Prevent & Control Infectious Diseases Of Major Importance

Prevent and Control Infectious Diseases of Major Importance (\$5,700,000 CSH). USAID will expand the indoor residual spraying and bed net programs and support the national malaria program. Funds will be provided to the integrated service delivery program to add child survival activities in critical provinces. Principal contractors and grantees: Same as FY 2006.

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact of HIV/AIDS. See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Support Family Planning

Support Family Planning (\$7,000,000 CSH). USAID will implement a new service delivery program that starts in late FY 2006. This program integrates family planning, HIV/AIDS, and maternal and child health, in all eight provinces of Kenya. Principal contractors and grantees: To be determined.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

FY 2006 Program

SO: 615-005 Natural Resources Management in Targeted Biodiverse Areas Improved

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$800,000 DA; \$900,000 ESF). USAID funds are being used to:

facilitate two private sector-community ecotourism business ventures and establish two management leases; develop pilot integrated wildlife-livestock management systems for production and marketing in two districts; and support seven nature-based businesses to add value and export market their products. Principal contractors and grantees: Lewa Wildlife Conservancy (LWC), Nature Kenya (NK), African Wildlife Foundation (AWF) (primes) and others to be determined.

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,200,000 DA; \$1,300,000 ESF; \$2,850,000 prior year ESF). USAID supports six community organizations adjacent to four parks and two reserves to establish wildlife monitoring systems. Small tree-planting groups and community-based mangrove and coral reef management are going to be established. The institutional development of the Kitengela Community Conservation Trust and the Northern Rangelands Trust organizations will put 5,000 hectares under improved conservation. With technical assistance from the U.S. Fish and Wildlife Service (USFWS), the Kenya Wildlife Service (KWS) is conducting applied research on five endangered wildlife and three invasive plant species, as well as improving three park visitor centers. KWS continues to improve wildlife monitoring and revenue collection with information communication technology development. The Kenya Forest Service (KFS) is receiving technical assistance from the U.S. Forest Service to implement one national and four district-level fire management plans and set up an information technology system to enhance forest-monitoring capacity. KFS is also supported to facilitate the development of forest management guidelines for participatory management and forest concessions, as well as draft agreements with three water catchment boards. USAID assists the Ministry of Tourism and Wildlife (MOTW) to conduct workshops to review the wildlife policy and law and prepare drafts to be debated in Parliament. KWS plans to develop bio-prospecting and user rights guidelines, and initiate the revision of the national biodiversity strategy. Principal contractors and grantees: Kenya Forestry Research Institute (KEFRI), Kenya Forest Department, MOTW, KWS, KFS, NK, Green Belt Movement (GBM), Institute for Environmental Innovation (I4EI) (primes); USFWS, U.S. Forest Service (USFS), PACT, International Center for Research in Agroforestry (ICRAF), and others to be determined (subs).

Strengthen Civil Society

Strengthen Civil Society (\$950,000 DA; \$770,000 ESF). USAID funds strengthen governance systems of community-based organizations and expand credit access for women's groups. Seven district-based wildlife forums are receiving support to advocate reforms in the wildlife sector, and three community forest management associations in targeted, co-managed forest areas are going to be registered. Principal contractors and grantees: PACT, Inc. (prime) and others to be determined.

FY 2007 Program

SO: 615-005 Natural Resources Management in Targeted Biodiverse Areas Improved

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$700,000 DA; \$900,000 ESF). USAID intends to: facilitate dialogue between two local authorities and the private sector to develop lease agreements for the management of national reserves; promote integrated wildlife-livestock management systems; and facilitate two community-industry commercial agreements for the production of herbal medicines. One agreement for the extraction and marketing of gums and resins and one agreement for the production and export of certified honey are going to be developed. Principal contractors and grantees: LWC, NK, AWF (primes) and others to be determined.

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,800,000 DA; \$1,600,000

ESF). USAID intends to support community groups to establish integrated livestock-wildlife management systems; support farm forestry; and develop a community-based monitoring program for coral reefs. To strengthen park management, support to KWS will: enhance wildlife monitoring through an improved integrated information network; facilitate joint ecosystem management; conduct a national study on bushmeat; and implement habitat restoration plans. The Convention on International Trade of Endangered Species (CITES) Unit of KWS is going to be strengthened to enforce compliance with wildlife trade regulations. Support to the KFS helps to improve forest biodiversity monitoring and evaluation capacity and stimulate negotiation and signing of environment services payment agreements with water catchments boards. KFS and KWS are expected to develop forest biodiversity survey instruments. USAID funds are also being used to support KWS in implementing a policy framework for devolution of wildlife management responsibilities; conduct national and regional awareness campaigns on the new policy; and develop wildlife utilization guidelines. Principal contractors and grantees: KWS, KFS, KEFRI, KFD, MOTW, AWF, LWC, NK, GBM, I4EI (primes); USFWS, USFS, PACT-Kenya, ICRAF (subs) and others to be determined.

Strengthen Civil Society

Strengthen Civil Society (\$1,000,000 DA). USAID provides assistance to strengthen the governance systems of 10 community-based organizations. The Kenya Wildlife Landowners Association will be registered, and the interests of community and private landowners will be advanced. New conservancies will be registered and issued with management rights, and new forest associations will be supported to implement collaborative forestry management plans. Community-government committees will be established to reduce illegal and destructive fishing and control access to authorized users. To enhance the visibility and interests of community-based ecotourism ventures, USAID supports the Kenya Community-Based Association of Tourism. Principal contractors and grantees: PACT, Inc. (prime) and others to be determined.

FY 2006 Program

SO: 615-006 Improved Balance of Power through Transparent and Accountable Democratic Institutions

Mitigate Conflict and Support Peace

Mitigate Conflict and Support Peace (\$430,000 DA). USAID is supporting civil society organizations (CSOs) that prevent, mitigate, and resolve conflicts in marginalized areas. CSO activities facilitate community dialogue; strengthen peace committees; and highlight problems facing conflict-prone communities. USAID is also assisting the Government of Kenya (GOK) to: develop and implement a national policy on conflict management and peace building; conduct validation workshops at both the district and national levels to ensure the national policy is relevant and viable; and provide training for and technical assistance to a national steering committee on peace building and conflict management (NSC). Principal contractors and grantees: CSOs and the NSC (primes).

Promote And Support Anti-Corruption Reforms

Promote and Support Anti-Corruption Reforms (\$150,000 DA). USAID reduces opportunities for corruption and impunity in the justice system by providing technical assistance, commodities, and training to the Department of Public Prosecutions (DPP). Activities include a needs assessment, a training curriculum and manual, and training sessions for approximately 50 prosecutors. USAID is also assisting the judiciary to implement recommendations from an integrity and governance report and anticipates managing a procurement reform program to be supported with funds from the Millennium Challenge Account (MCA) Threshold Program. Principal contractors and grantees: DPP, Judiciary, Ministry of Finance, and Ministry of Health and local CSOs (primes).

Promote and Support Credible Elections Processes

Promote and Support Credible Elections Processes (\$448,200 DA; \$2,425,000 ESF). USAID provides technical assistance, commodities, and training to the Electoral Commission of Kenya (ECK). USAID anticipates supporting domestic and international observations, including training for both party agents and domestic observers, allowing them to assess whether the presidential and parliamentary elections are non-violent, transparent, and competitive. USAID further anticipates monitoring media bias in the run up to the 2007 elections. Principal contractors and grantees: ECK, the International Foundation for Election Systems (IFES), local CSOs (primes).

Strengthen Civil Society

Strengthen Civil Society (\$954,800 DA; \$325,000 ESF). USAID supports CSOs that advocate for policy and legislative reforms as well as monitor GOK performance. CSOs' advocacy activities address anti-corruption, access to information, procurement reform, privatization, and domestic violence/family protection. Grantees focus on policy analysis and ongoing consultations with Members of Parliament (MPs), government agencies, and other CSOs. USAID also provides CSOs with technical assistance (e.g., advocacy techniques) and training (e.g., leadership and financial management skills). Principal contractors and grantees: CSOs and others to be determined (primes).

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$3,028,000 FY 2005 ESF carryover). USAID strengthens the capacity of political parties, addressing their institutional weaknesses, and promoting dialogue and consensus building across parties. USAID assists political parties to improve transparency of party operations, improve leadership skills, and increase issues-based campaigning. Two forums will address approaches to level the electoral playing field ahead of the 2007 elections. Principal contractors and grantees: Kenyan political parties (prime) and others to be determined.

Strengthen the Legislative Function/Legal Framework

Strengthen the Legislative Function/Legal Framework (\$242,000 DA; \$220,000 ESF). USAID is improving the effectiveness of parliament by strengthening committees, developing in-house budget analysis capacity of the new budget office, and increasing dialogue between parliament, the executive, and CSOs. Parliamentary committees are monitoring government implementation of key recommendations in reports from the Auditor General, the Kenya Anti-Corruption Commission, and the Kenya National Commission on Human Rights. Principal contractors and grantees: Parliament, State University of New York (SUNY) and CSOs (primes).

FY 2007 Program

SO: 615-006 Improved Balance of Power through Transparent and Accountable Democratic Institutions

Mitigate Conflict and Support Peace

Mitigate Conflict and Support Peace (\$430,000 DA). USAID will continue to support the conflict prevention and mitigation efforts as outlined above, as well as the implementation of a national policy on conflict management and peace building. Principal contractors and grantees: Same as FY 2006.

Promote And Support Anti-Corruption Reforms

Promote and Support Anti-Corruption Reforms (\$300,000 DA; \$1,150,000 ESF). USAID will support both

GOK and non-governmental anti-corruption efforts. USAID will extend training and capacity building activities with the DPP and will award grants to advocacy and monitoring CSOs. Principal contractors and grantees: DPP, Judiciary, Ministry of Finance, and CSOs (primes).

Promote and Support Credible Elections Processes

Promote and Support Credible Elections Processes (\$460,200 DA; \$1,455,000 ESF). USAID will continue to support local election observers, political party agents, and strengthening the ECK. Principal contractors and grantees: Same as FY 2006.

Strengthen Civil Society

Strengthen Civil Society (\$152,800 DA; \$650,000 ESF). USAID will continue supporting CSOs that promote transparent and accountable governance and provide technical assistance and training to enhance their effectiveness. Principal contractors and grantees: Same as FY 2006.

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$363,000 DA). USAID will support political parties to develop manifestos outlining their party policies and will sponsor five inter-party consultative group forums at the national and regional levels to improve the party nomination process. Principal contractors and grantees: Kenyan political parties (primes) and others to be determined.

Strengthen the Legislative Function/Legal Framework

Strengthen the Legislative Function/Legal Framework (\$546,000 DA). USAID will continue to strengthen the parliamentary committee system by training key staff in the Budget Office, helping Parliament develop systems for effective engagement in the budget process, and supporting efforts to update Parliament's strategic plan to revise standing orders. Principal contractors and grantees: Same as FY 2006.

FY 2006 Program

SO: 615-007 Increased Rural Household Incomes

Improve Economic Policy and the Business Environment

Improve Economic Policy and the Business Environment (\$1,200,000 DA). USAID continues to support policy, regulatory and legal reforms to increase Kenya's agricultural productivity and competitiveness in domestic and international markets. USAID's contributions are built around unification of agricultural sector legislation and implementation of key fast-track actions under the Government of Kenya's (GOK) comprehensive framework for reform of the sector. USAID continues to support harmonization of seed policy within East Africa and fund long-term training and other capacity-building efforts for local institutions conducting policy research, analysis, and advocacy on key issues. Principal contractors and grantees: Tegemeo Institute, Kenyan Institute for Policy Planning, Research and Analysis (KIPPRA), and Seed Trade Association of Kenya (STAK) (primes).

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$1,800,000 DA). USAID continues to facilitate the collaboration of input suppliers, exporters, processors, and other private sector firms in delivering required services to smallholders, micro- and small enterprises and others in the maize, dairy and horticultural sub-sectors. USAID also strengthens the capacity of farmer organizations to manage their businesses profitably and

partner with private sector organizations to improve their market competitiveness. USAID builds the capacity of private sector service providers and enhance awareness of the services among smallholders. Principal contractors and grantees: Emerging Markets Groups Ltd, Fintrac, Land 'O' Lakes and Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) (primes).

Increase Agricultural Sector Productivity

Increase Agricultural Sector Productivity (\$4,400,000 DA; \$1,980,000 ESF; \$1,050,000 prior year ESF). USAID continues to support the development and transfer of improved technologies and commercial market development. The program is working with the Kenya Agricultural Research Institute (KARI) and other partners to develop and release improved seed varieties to farmers. IEHA funds will be used to increase public awareness of biotechnology and develop a functional national bio-safety framework. USAID will work with Kenyan decision-makers to remove critical policy and transactional constraints related to U.S. market access under the African Growth and Opportunity Act (AGOA) and continue assisting the GOK to discourage trade in counterfeit products. ESF is also being used to expand horticultural production and processing. Principal contractors and grantees: KARI, STAK, Fintrac, ACDI/VOCA, Land O' Lakes, African Union Inter-African Bureau for Animal Resources (AU-IBAR) (primes); others to be determined.

Protect and Increase Food Security of Vulnerable Populations

Protect and Increase Food Security of Vulnerable Populations. USAID is improving livelihoods of communities in arid and semi-arid regions. USAID P.L. 480 Title II programs train farmers on dry-land farming and natural resource management; support communities in conflict resolution; provide water sources; provide training in nutrition and maternal/child health; and construct soil conservation and flood control structures. Principal contractors and grantees: World Vision, Adventist Development and Relief Agency (ADRA), Food for the Hungry (FHI), CARE, Catholic Relief Services (CRS), and Millennium Water Alliance (primes).

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,198,000 DA; \$318,000 prior year DCA). USAID continues to facilitate enactment of the Microfinance Institutions Bill and establishment of a self-regulating microfinance industry. USAID supports preparation of prudential guidelines and undertakes capacity-building activities for the microfinance regulatory agencies, the national Association of Microfinance Institutions (AMFI), and other organizations. USAID implements Development Credit Authority (DCA) programs that will enhance access to growth capital by micro-, small and medium enterprises, including farmers. Principal contractors and grantees: Development Alternatives, Inc. (DAI), AMFI, Cooperative Bank of Kenya, K-Rep Bank (primes).

FY 2007 Program

SO: 615-007 Increased Rural Household Incomes

Improve Economic Policy and the Business Environment

Improve Economic Policy and the Business Environment (\$1,750,000 DA). USAID intends to continue pursuing key reforms related to agricultural production and trade, while enhancing local research and analytic capacity. Principal contractors and grantees: Same as FY 2006.

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$2,250,000 DA). USAID plans to continue to facilitate deeper engagement of the private sector in agribusiness and service delivery, and increase access of micro-, small and medium enterprises to expanded business support services. Principal contractors and grantees: Emerging Markets Group (prime) and others to be determined.

Increase Agricultural Sector Productivity

Increase Agricultural Sector Productivity (\$4,250,000 DA; \$1,000,000 ESF). USAID intends to continue supporting technology development and transfer, trade and market efficiency, with a focus on the target commodity sub-sectors. Principal contractors and grantees: Fintrac, Emerging Markets Group (prime) and others to be determined.

Protect and Increase Food Security of Vulnerable Populations

Protect and Increase Food Security of Vulnerable Populations. Through its P.L. 480 Title II programs, USAID will continue to increase capacity of communities in arid and semi-arid lands to enhance livelihood opportunities through interventions such as those listed above. Principal contractors and grantees: ADRA, CARE, FHI (primes) and others to be determined.

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,000,000 DA). USAID plans to continue promoting an industry-level enabling environment for growth and product diversity in the microfinance industry. Principal contractors and grantees: DAI, AMFI, Cooperative Bank of Kenya, K-Rep Bank (primes).

FY 2006 Program

SO: 615-008 Equitable Access to Quality Basic Education Increased

Achieve Equitable Access to Quality Basic Education

Achieve Equitable Access to Quality Basic Education (\$4,019,000 DA). Activities are increasing both the demand for quality education and the capacity of the system to meet that demand. On the demand side, USAID continues to: mobilize communities and schools in the predominantly Muslim regions of the North Eastern and Coast Provinces; raise issues and foster dialogue regarding the value of education; improve school management; and improve educational attainment in marginalized areas. This program strengthens local communities' responsibilities for influencing, implementing, and achieving quality education. On the supply side, USAID designs and implements a program of teacher education and professional development with two principal aims: to improve teacher practices and competencies through a distinctive program of pre- and in-service teacher education; and to improve the standards of education and training provided at the Kenya Education Staff Institute (KESI). Activities include: support for drafting a detailed capacity development plan and implementation of a strategic plan for capacity and skill development of KESI staff to enable this staff to provide training to all heads of education and training institutes. Also on the supply side, capacity development within the ranks of teachers and administrators in the Ministry of Education, Science and Technology (MOES&T) is going to be addressed by developing a comprehensive training program that will enable all national, provincial and district education officials to have the foundation necessary to: implement the GOK's education sector program, including the code of conduct; manage for results and hold officials accountable; plan curriculum and lessons; and ensure adequate technical, financial and administrative skills. Principal contractors and grantees: Academy for International Research, MOES&T, KESI (primes), Aga Khan Foundation (sub) and others to be determined.

FY 2007 Program

SO: 615-008 Equitable Access to Quality Basic Education Increased

Achieve Equitable Access to Quality Basic Education

Achieve Equitable Access to Quality Basic Education (\$6,000,000 DA). USAID will continue to expand the campaign to mobilize communities and schools to promote basic education and foster dialogue on issues related to improving the management and quality of education in an additional 20 sites within Coast and North Eastern Provinces. Technical assistance will be provided for the implementation of the education sector program, pre-service teacher education, scholarships for orphans and vulnerable children, HIV/AIDS and education policy advocacy. Teacher education and professional development will be continued. Following an assessment of initial performance, USAID will make a determination on support for future activities identified in the strategic plan. USAID will also work closely with the GOK to develop and implement on-line training for teachers and education professionals. This effort will enable educators to identify, collect, and analyze data for better decision-making and more efficient/transparent management of the sector. Principal contractors and grantees: MOES&T, KESI (primes) and others to be determined.

Results Framework

615-003 Reduce Transmission and Impact of HIV/AIDS and Improve Reproductive Maternal and Child Health

Program Title: HIV/AIDS, Population, and Health

- IR1:** Improved sustainable management of the health sector (public/private)
- IR2:** Increased use of proven, effective interventions to decrease risk of transmission and mitigate the impacts of HIV/AIDS
- IR3:** Increased customer use of FP/RH/CS services

615-005 Natural Resources Management in Targeted Biodiverse Areas Improved

Program Title: Natural Resources Management

- 5.1:** Site-specific initiatives for NRM implemented outside protected areas
- 5.2:** Encroachment and subdivision reduced
- 5.3:** Improved management of protected areas
- 5.4:** NRM and environmental advocacy strengthened

615-006 Improved Balance of Power through Transparent and Accountable Democratic Institutions

Program Title: Democracy and Governance

- 6.1:** CSOs effectively demand reforms and monitor government activities
- 6.2:** Increased effectiveness of selected GOK institutions
- 6.3:** More transparent and competitive electoral processes

615-007 Increased Rural Household Incomes

Program Title: Increased Rural Household Incomes

- 7.1:** Increased productivity of smallholders in target agricultural sub-sectors
- 7.2:** Increased agricultural trade
- 7.3:** Increased access to business support services for micro and small enterprises
- 7.4:** Increased effectiveness of smallholder organizations to provide business services to their members

615-008 Equitable Access to Quality Basic Education Increased

Program Title: Basic Education

- 8.1:** Community, school and district partnerships strengthened
- 8.2:** Teacher practices/competencies improved
- 8.3:** Improved policy and investment framework within the education sector